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17 UNITED STATES DISTRICT COURT
18 CENTRAL DISTRICT OF CALIFORNIA

19 In the Matter of the Application of
20 LUFTHANSA TECHNIK AG,
21 Petitioner, for an Order Pursuant to 28
22 U.S.C. § 1782 to Take Discovery,
23 Pursuant to the Federal Rules of Civil
24 Procedure, of Respondent Thales
25 Avionics, Inc., for Use in Foreign
26 Proceedings

Case No. 8:22-mc-00034-JVS-(KESx)

**THALES AVIONICS, INC.'S
REPLY IN OPPOSITION TO 28
U.S.C. § 1782 APPLICATION OF
LUFTHANSA TECHNIK AG**

Hon. Karen E. Scott

Hearing Date: March 6, 2023
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Respondent Thales Avionics, Inc. (“Thales”) respectfully requests that the Court deny the 28 U.S.C. § 1782 application in this matter, and states:

I. Introduction

Petitioner Lufthansa Technik AG (“Lufthansa”), dissatisfied with the Court’s earlier termination of its first § 1782 action against Thales, now brings this second § 1782 application in a transparent effort to press further unreasonable discovery demands that the Court has already once denied.

Lufthansa’s claim that this second action arises from new information is belied by the record of the first action—Lufthansa sought and received discovery on Thales’ incorporation of Astronics Advanced Electronic Systems Corp. (“AES”) components in its assemblies in the first action. As a result, the res judicata effect of the Court’s Orders ending the first action bars Lufthansa’s renewed application.

Even were the action not barred, the Court should exercise its discretion to deny this application for at least three reasons. First, the present character of the foreign proceedings, where Lufthansa has already lost (the proceedings in France), or where Thales has already voluntarily responded to information requests (the proceedings in Germany), or where Thales’ information is immaterial (the proceedings in the United Kingdom), weighs against this application. Second, Lufthansa’s new application is demonstrably an effort to circumvent the discovery limits imposed by the Court’s Orders ending the first action. Third, the new application is overbroad and unduly burdensome to Thales.

Lufthansa’s attempt to manipulate the Court must not be rewarded. The Court should deny Lufthansa’s application in its entirety.

II. Factual Background

In June 2019, Lufthansa initiated a 28 U.S.C. § 1782 action for discovery in aid of foreign proceedings in France, Germany, and the United Kingdom, and contemplated proceedings in Japan and Spain. Ex. 1, Appl. for Disc. in Aid of Foreign Litigation Pursuant to 28 U.S.C. § 1782, at 1, No. 8:19-mc-00016-UA-KES

1 (C.D. Cal. June 28, 2019), ECF No. 1 (“First Action”).

2 There, as here, Lufthansa sought discovery in support of actions alleging that
3 AES infringed certain of its patents relating to the provision of 110V power in the
4 passenger compartment of aircraft. Appl. for Disc. in Aid of Foreign Litigation
5 Pursuant to 28 U.S.C. § 1782, at 2, Dec. 30, 2022, ECF No. 1 (“Second
6 Application”).

7 Although Lufthansa had brought the German action in 2010—nine years
8 before filing the First Action—Lufthansa repeatedly insisted that it now urgently
9 needed discovery from Thales in tight timeframes in order to timely submit the
10 material to the German court. *See* Ex. 2, Order Granting in Part & Den. in Part
11 Lufthansa’s Mot. to Compel Compliance with Document & Dep. Subpoena, at 1, 4,
12 No. 8:19-mc-00016-JVS-KES (C.D. Cal. Sept. 16, 2020) (Scott, M.J.), ECF No.
13 107 (“Motion to Compel Order”).

14 After fifteen months and a dozen hearings and status conferences, the Court
15 dismissed the First Action. Motion to Compel Order, at 2-3. In the interim, in an
16 effort to reasonably comply with Lufthansa’s discovery requests, Thales provided,
17 among other discovery responses, several iterations of extensive reports from its
18 database tailored to specific requests from Lufthansa, including intricate details
19 related to thousands of transactions, and provided testimony explaining that
20 information in three depositions and multiple declarations. Ex. 3, Local Rule 37-2
21 Joint Stipulation Regarding Lufthansa Technik AG’s Mot. to Compel Thales
22 Avionics, Inc.’s Compliance with Subpoena & Dep. Notice & Thales Avionics,
23 Inc.’s Mot. for Protective Order, at ¶¶ 16, 79, 153, No. 8:19-mc-00016-JVS-KES
24 (C.D. Cal. Aug. 22, 2020) ECF No. 100 (“2020 Joint Stipulation”).

25 The First Action ended with Lufthansa filing a motion to compel and Thales’
26 cross-motion for a protective order. The Court generally denied Lufthansa’s motion
27 to compel, finding that Thales had substantially complied with its obligations, *see*
28 *e.g.*, Ex. 2, Motion to Compel Order, at 4, 5, 8, and that Lufthansa had

1 “abandon[ed]” or refused all reasonable compromises of its outstanding discovery
2 demands, *id.* at 3, 4, 5, 6, 7, 9.

3 Lufthansa moved the District Court to review the Magistrate Judge’s Order,
4 which the District Court denied. Order Regarding Mot. to Review, No. 8:19-mc-
5 00016-JVS-KES, (C.D. Cal. Nov. 4, 2020) (Selna, J.), ECF. No. 122. Lufthansa
6 then appealed the decision to the U.S. Court of the Appeals for the Ninth Circuit,
7 which was affirmed in a memorandum opinion. *In re Lufthansa Technik AG*, No.
8 20-56293, 2021 WL 5882036 (9th Cir. Dec. 13, 2021). Lufthansa then petitioned
9 for rehearing and rehearing *en banc*, which petition the Ninth Circuit denied.

10 Lufthansa filed the instant action in December 2022. Second Application, at
11 1. Lufthansa’s new application alleged that additional discovery was necessary
12 because it had only recently learned that Thales incorporated AES components into
13 assemblies Thales sold to its customers. *Id.* at 2. Specifically, Lufthansa represented
14 it had first learned this information from a June 2022 letter from Thales to AES
15 responding to a request for information from the German court that AES had
16 conveyed to Thales(. *Id.*; *see also* Ex. 4, Letter from D. Morris to C. Stoll, dated
17 June 1, 2022 (“June 2022 Letter”).

18 Although disclosing the existence of the First Action in its Application,
19 Lufthansa nonetheless failed to indicate that the Second Application was a related
20 case. *See* Thales Avionics, Inc.’s Notice of Related Cases, at 3, Jan. 12, 2022, ECF
21 No. 11. Indeed, Lufthansa objected to the notice. Opp’n to Notice of Related Cases,
22 Jan. 13, 2022, ECF No. 13.

23 **III. Argument**

24 The Court should deny the Second Application, first, because it is barred by
25 the res judicata effect of the Court’s Orders ending the First Action. In the
26 alternative, the Court should exercise its discretion to deny the Second Application
27 because of the present character of the foreign proceedings, because the Second
28 Application is an improper attempt to circumvent the Court’s prior Orders, and

1 because the Second Application is unduly burdensome to Thales.

2 **A. Res judicata bars Lufthansa's Second Application**

3 The Court should deny Lufthansa's Second Application because it is barred
4 by the res judicata effect of the Court's Orders terminating the First Action. As
5 discussed below, the record belies Lufthansa's argument that it was unaware of the
6 incorporation of AES components into Thales assemblies at the time of the First
7 Action. Further, the discovery sought in Lufthansa's Second Application was
8 sought or could have been sought in Lufthansa's First Action. In short, the doctrine
9 of res judicata prevents Lufthansa from circumventing the Court's previous Orders
10 and authority.¹

11 "When considering the effect of a prior federal court judgment, the Court
12 applies the federal law of res judicata." *Bak v. Donahoe*, No. SA CV 14-1007-
13 JVS(E), 2015 U.S. Dist. LEXIS 45540, at *8 (C.D. Cal. Mar. 10, 2015) (Eick, M.J.)
14 (citing *First Pac. Bancorp v. Helfer*, 224 F.3d 1117, 1128 (9th Cir. 2000)), *adopted*
15 *by Bak v. Donahoe*, No. SA CV 14-1007-JVS (E), 2015 U.S. Dist. LEXIS 45545, at
16 *1 (C.D. Cal. Apr. 7, 2015) (Selna, J.).

17 The doctrine of res judicata "bars a party from bringing a claim if a court of
18 competent jurisdiction has rendered a final judgment on the merits of the claim in a
19 previous action involving the same parties or their privies." *Cusano v. Klein*, 264
20 F.3d 936, 948 (9th Cir. 2001) (citation omitted). Sometimes also referred to as
21 claim preclusion, the doctrine "bars litigation in a subsequent action of any claims
22

23 ¹ In addition to the fact of Lufthansa filing the Second Application, Lufthansa
24 attempted to avoid the scrutiny of the Judges best positioned to detect the
25 circumvention of the prior Orders. Despite the obvious relationship between its
26 Second Application and the First Action, Lufthansa failed to indicate that the cases
27 were related. *See* Thales Avionics, Inc.'s Notice of Related Cases, ECF No. 11; *see*
28 *also Garcia v. Aldi Inc.*, No. CV 22-7851 PA (JEMx), 2022 U.S. Dist. LEXIS
203608, at *3 (C.D. Cal. Nov. 7, 2022) (noting L.R. 83-1.3.1's "goals of avoiding
forum shopping and the unnecessary duplication of labor if two related cases are
heard by different judges").

1 that were raised or could have been raised in the prior action.” *Owens v. Kaiser*
2 *Found. Health Plan, Inc.*, 244 F.3d 708, 713 (9th Cir. 2001) (citation and internal
3 quotations omitted).

4 Res judicata applies “whenever there is (1) an identity of claims, (2) a final
5 judgment on the merits, and (3) identity or privity between parties.” *Id.* (citation
6 and internal quotations omitted).

7 **1. There is an identity of claims between the First Action and**
8 **Second Application because Lufthansa has long known about**
9 **and sought discovery regarding Thales’ incorporation of AES**
10 **components in its assemblies**

11 Lufthansa’s Second Application is a try for a second bite at the apple of the
12 discovery sought in the First Action. The identity of the actions is demonstrated by
13 the fact that Lufthansa has long known about and has already sought and secured
14 discovery regarding the incorporation of AES components in Thales assemblies.

15 **a. Lufthansa has long known about the incorporation of AES**
16 **components in Thales assemblies**

17 Lufthansa’s assertion that it only learned that Thales included AES
18 components in its assemblies in June 2022 and has not previously sought discovery
19 on this topic is contradicted by the record.

20 Indeed, Lufthansa noticed Fed. R. Civ. P. 30(b)(6) topics included Thales
21 assemblies incorporating AES components:

22 5. Thales Avionics’s sales practices and procedures for
23 selling 110 V In-Seat Power Systems or Thales Avionics’s
24 assemblies incorporating 110V In-Seat Power Systems
25 delivered to or installed in the United Kingdom, France, or
26 Germany.

27 Ex. 3, 2020 Joint Stipulation, at 42. While Lufthansa complained about the
28 preparation of the corporate representative on this topic, it acknowledged taking

1 deposition testimony on it. *Id.* at 43.

2 Further, the transcripts of the status conferences and hearings in the first
3 action, demonstrate that from the beginning to the end of the matter, all parties
4 understood that Thales sometimes combined AES components into its own
5 assemblies and that Lufthansa believed that information about those assemblies was
6 within the scope of its subpoena. For example, during the September 27, 2019,
7 status conference with all parties, in explaining the difficulties of responding to
8 Lufthansa's subpoena, counsel for Thales stated:

9 It becomes increasingly difficult with the more parts that
10 are involved. ... What happens, is ***we have to look at each
11 AES part and then individually track in the system into
12 which Thales Avionics assemblies, or sub-assemblies, it
13 might be incorporated.*** And only then after building out
14 the list, and there are, I'm told there are thousands of
15 Avionics sub-assemblies and assemblies. And only after
16 that search is concluded can we then actually start doing
17 the aggregation regarding the prices paid to us for our
18 assemblies and sub-assemblies in Germany.

19 Ex. 5, Transcript of Sept. 27, 2019 Telephonic Discovery Conference, 12:4-19
20 (Morris, D.) (No. 8:19-mc-00016-UA-KES) (emphasis added).

21 Another example arises a year later. During the September 1, 2020 hearing
22 on Lufthansa's motion to compel and Thales's motion for protective order, counsel
23 for Thales pointed to a specific production in the action providing information
24 about Thales assemblies and subassemblies incorporating AES components:

25 I believe it's the German spreadsheet specifically has a
26 second tab that shows where Rudy took the AES part
27 numbers from the exemplar list, cross-referenced them to
28 their Lufthansa equivalents, and ***then took those
Lufthansa equivalents to identify any kits or
subassemblies into which they would be incorporated*** by
Thales and use that universe of numbers to prepare the
"ship to" and the -- and "part to" lists that we -- as far as,

1 you know, what we ship to or bill to Germany, France, and
2 U.K. So that is -- not only was done but is actually reflected
3 in -- we left that in the spreadsheets so, you know, you
4 could see our math and account for each step.

5 Ex. 6, Excerpts of Transcript of Sept. 1, 2020 Telephonic Conference Hearing,
6 46:24-47:10 (Morris, D.) (No. 8:19-mc-00016-UA-KES) (emphasis added).

7 Lufthansa's counsel acknowledged receiving this discovery:

8 And just to -- I don't -- I just want to save some work, if
9 possible, for Danny over there. You know, ***we are aware***
10 ***that there is a tab for, you know, kits that AES parts were***
11 ***included*** into on some of the more limited spreadsheets
12 that do not cover sales of all of the AES part numbers. So
13 we are aware that that exists.

14 *Id.* 48:13-22 (Smith, A.) (emphasis added); *see also* Ex. 7, Declaration of Daniel
15 Morris in Support of Motion for Protective Order, at ¶ 14, No. 8:19-mc-00016-UA-
16 KES, (C.D. Cal. Aug. 21, 2020), ECF No. 100-5, ("In response to Lufthansa's
17 requests, Thales Avionics prepared and produced revised spreadsheets attempt to
18 filter for jurisdiction (i.e., France or Germany or the United Kingdom) using ship-to
19 or bill-to field to identify the identified jurisdiction. ... Further, Thales Avionics
20 included on these revised spreadsheets not only those specific parts, but any of the
21 assemblies into which those parts would have been incorporated."); Ex. 3, 2020
22 Joint Stipulation, at ¶¶ 44, 67.

23 Thus, the June 2022 Letter is nothing more than a pretext for bringing this
24 action that does not alter the bare fact that Lufthansa has long known and has
25 sought and secured discovery about Thales assemblies incorporating AES
26 components. *See* Ex. 4.

27 **b. The discovery Lufthansa now seeks is redundant of the**
28 **discovery in the First Action**

 As noted above, Lufthansa has already sought and secured discovery about

1 Thales assemblies incorporating AES components. Comparing the discovery
2 requests of the First Action and the Second Application further demonstrates that
3 the Second Application is redundant of the First Action.

4 Examples of the overlap abound. Lufthansa's first request seeks:

5 1. Documents, including but not limited to parts lists, cross
6 reference documents, sufficient to show the part numbers
7 and part descriptions of the components of the In-Seat
8 Power-System, including equivalent part numbers used by
Thales, AES or Thales' customers.

9 Application, at 63.

10 But Lufthansa has already sought discovery regarding "all part numbers
11 of 110V in-seat power systems":

12 9. Documents sufficient to show *all part numbers of 110V*
13 *in-seat power systems* purchased, stored, shipped, offered,
14 returned or repaired by Thales from Astronics for
15 installation in Airbus, Boeing, Bombardier, or Embraer
16 aircraft in the United Kingdom, France, Spain, Germany or
17 Japan, or in the aircraft of any other aircraft manufacturer
in those countries, from the time of the first such purchases
to the present.

18
19 Ex. 8, Subpoena to Produce Docs., Information, or Objects or to Permit Inspection
20 of Premises in a Civil Action, at 6, No. 8:19-mc-00016-UA-KES, (C.D. Cal. June
21 28, 2019), ECF No. 1-4 ("2019 Subpoena"), (emphasis added).

22 Lufthansa's second request seeks:

23 2. Documents, including but not limited to shipping
24 documents, sufficient to show, for each year since the first
25 shipments and for each shipment, shipment instructions,
26 the modification level, batch number, whether it was a
retrofit or a linefit.

27 Application, at 64. And its fourth request further seeks:
28

1 4. Documents, including but not limited to purchase orders,
2 invoices, shipping documents or offers, sufficient to show,
3 for each year since the first purchases, for each purchase or
4 receipt of an In-Seat Power-System or part thereof that was
5 subsequently sold or shipped according to Request no. 2 by
6 Thales, the modification level and batch number.

7 *Id.* at 64. These requests, however, only repeat Lufthansa's earlier demand for:

8 2. Documents, including, but not limited to purchase
9 orders, offers, returns, repairs, specifications, and
10 statements of work, sufficient to show for each year since
11 the first purchases by Thales of Astronics' 110V in-seat
12 power systems . . . the number of units received by Thales
13 from Astronics . . . and *for each part shipped into the*
14 *specified countries, the shipment date, the shipping*
15 *addresses, including the address of respective warehouses*
16 *or storage facilities, order addresses . . . the AES part*
17 *number, Thales part number, the modification level of the*
18 *part, the geographical location of installation, whether it*
19 *was a retrofit or a linefit*

20 Ex. 8, 2019 Subpoena, at 5 (emphasis added).

21 The same pattern is evident from a close comparison of all of the requests.
22 While Lufthansa has varied the syntax or particulars, or sought otherwise to
23 broaden the requests, all of the discovery sought in the Second Application was
24 sought or could have been sought in the First Action.

25 **c. The applicable analysis demonstrates the identity of the**
26 **claims**

27 In light of these facts, the controlling analysis demonstrates the identity of
28 the claims between the First Action and the Second Application.

In determining the identity of claims, the court may consider:

(1) whether rights or interests established in the prior
judgment would be destroyed or impaired by prosecution of
the second action; (2) whether substantially the same

1 evidence is presented in the two actions; (3) whether the two
2 suits involve infringement of the same right; and (4)
3 whether the two suits arise out of the same transactional
nucleus of facts.

4 *U.S. v. Liquidators of Eur. Fed. Credit Bank*, 630 F.3d 1139, 1150-51 (9th Cir.
5 2011) (citations and internal quotations omitted). The fourth criterion is the most
6 important. *Id.* at 1151

7 Here, “rights or interests established in the prior judgment would be
8 destroyed or impaired” by the Second Application, as the Court has already found
9 that Thales had substantially complied with its obligations, *Id.* at 1150 (citation
10 omitted); *see e.g.*, Ex. 2, Motion to Compel Order, at 4, 5, 8, and that Lufthansa had
11 “abandon[ed]” or refused all reasonable compromises of its outstanding discovery
12 demands, *id.* at 3, 4, 5, 6, 7, 9. Granting the Second Application destroys Thales’
13 right to be free from further burdensome and intrusive discovery on these topics and
14 will inevitably require re-litigating questions of whether Thales has done enough in
15 the face of Lufthansa’s demands.

16 The second, third, and fourth elements of the analysis all turn on the facts
17 that Lufthansa has long known about the incorporation of AES components in
18 Thales assemblies and that the Second Application’s discovery requests are
19 redundant of those in the first action. The evidence in both actions is “substantially
20 the same.” The two actions undeniably involve “infringement of the same right”
21 and “arise out of the same transactional nucleus of facts,” as Lufthansa seeks
22 discovery to support its allegations regarding AES’s infringement of Lufthansa’s
23 patent.

24 **2. The Court’s prior Orders constitute a final judgment on the** 25 **merits**

26 The Court’s prior Orders constitute a final judgment on the merits as the only
27 issue in a § 1782 action is the discovery sought. *See Heraeus Kulzer, GmbH v.*
28

1 *Biomet, Inc.*, 633 F.3d 591, 593 (7th Cir. 2011) (“The court is finished with the
2 [§ 1782] matter—as the only matter is discovery—and when no further proceedings
3 are contemplated, the court’s last order, even if it is a discovery order, is an
4 appealable final order.”).²

5 **3. The Parties are identical**

6
7 There can be no dispute that the Parties in the First Action and the Second
8 Application are identical.

9 Because the record amply reflects the identity of the claims, and the
10 existence of a final judgment on the merits, and that the parties in both actions are
11 identical, the Court should deny the Second Application as barred by the res
12 judicata effect of the Court’s Orders ending the First Action.

13 **B. In the alternative, the Court should exercise its discretion to deny** 14 **the Second Application.**

15 In the alternative, the Court should exercise its discretion to deny the Second
16 Application for at least three reasons. First, the character of the foreign proceedings
17 abroad demonstrates that the discovery requests are ill-founded. Second, as
18 discussed above, the Second Application is an attempt to circumvent the policies of
19 the United States, namely to circumvent the Court’s prior Orders. Third, the Second
20 Application is unduly burdensome to Thales.

21 Contrary to Lufthansa’s insinuations, the Court is permitted, and at times
22 required, to exercise its discretion to deny applications under 28 U.S.C. § 1782.
23 *Intel Corp. v. Advanced Micro Devices, Inc.*, 542 U.S. 241, 264, (2004) (“[A]

24
25 ² While the *Heraeus Kulzer* court held that the District Court improperly
26 denied the § 1782 application and remanded for narrowing of unduly burdensome
27 discovery requests, *id.* at 599, the court also held “district courts must be alert for
28 potential abuses that would warrant a denial of an application,” *id.* at 594. Although
an application in violation of res judicata was not expressly identified as an
example, that issue was not then before the court.

1 district court is not required to grant a § 1782(a) discovery application simply
2 because it has the authority to do so.”); *Khrapunov v. Prosyankin*, 931 F.3d 922,
3 923 (9th Cir. 2019) (“28 U.S.C. § 1782 authorizes, but does not require, federal
4 district courts to assist in the production of evidence for use in a foreign or
5 international tribunal.”); *U.S. v. Glob. Fishing, Inc.*, 634 F.3d 557, 563 (9th Cir.
6 2011) (“[T]he district court should deny the request if the district court ‘suspects
7 that the request is a ‘fishing expedition’ or a vehicle for harassment.’”) (citation
8 omitted); *Heraeus Kulzer*, 633 F.3d at 594.

9 Thus, even where a petitioner is able to meet the “minimal statutory
10 criteria,”³ the Court exercises its discretion in determining whether or not to grant
11 the application. *In re Pioneer Corp. for an Ord. Permitting Issuance of Subpoenas*
12 *to Take Discovery in a Foreign Proceeding*, No. MC 18-0037 UA (SS), 2018 WL
13 2146412, at *7 (C.D. Cal. May 9, 2018) (denying application); *In re Fagan*, 2019
14 U.S. Dist. LEXIS 227761, at *7 (C.D. Cal. May 10, 2019) (denying application).
15 The Court’s exercise of discretion is governed by the four factors identified in *Intel*,
16 542 U.S. at 246. Three of those factors are relevant here:

- 17 • “[A] court presented with a § 1782(a) request may take into account
18 the nature of the foreign tribunal, the character of the proceedings
19 underway abroad, and the receptivity of the foreign government or the
20 court or agency abroad to U.S. federal-court judicial assistance.” *Id.* at
21 264.
- 22 • The Court must “consider whether the § 1782(a) request conceals an
23 attempt to circumvent foreign proof-gathering restrictions or other
24 policies of a foreign country or the United States.” *Id.* at 264-65.

25
26 ³ The statute expressly requires that (a) the respondent resides or may be found in
27 the district of the district court where the application is made; (b) that the discovery
28 sought is “for use in a proceeding in a foreign or international tribunal”; and (c) the
order issues only “upon the application of any interested person.” 28 U.S.C. § 1782.
Here, the statutory criteria are generally not at issue.

- Finally, “unduly intrusive or burdensome requests may be rejected or trimmed.” *Id.* at 265.

1. The character of the foreign proceedings weighs against the Second Application

The character of the proceedings in France, Germany, and the United Kingdom weighs against the Second Application. Lufthansa has already lost the French action, the French court having determined Lufthansa’s patent is invalid. *Cf. Khrapunov*, 931 F.3d at 926 (holding a foreign court’s “willingness to proceed to judgment without the benefit of the evidence [] sought” weighed on the character and receptivity of the foreign proceedings). As recorded in the separate opposition of AES, the incorporation of AES components in Thales assemblies is immaterial to determining Lufthansa’s damages in the United Kingdom action, meaning the request as to the United Kingdom fails to meet the threshold of the statutory factors. 28 U.S.C. § 1782(a) (requiring that the discovery sought be “for use” in the foreign proceeding).

Finally, in the German action, Lufthansa asserts the Second Application arises because of information that Thales voluntarily provided in response to a request from the German court. As the June 2022 Letter recites, Thales responded to the request with the information reasonably available to it. Ex. 4, June 2022 Letter, at 1. Moreover, Thales did so notwithstanding the substantial previous burden of Lufthansa’s unfocused and overbroad discovery demands in the First Action. *Id.* at 2.

2. The Second Application is an attempt to circumvent the Court’s prior Orders

Even were the Court to rule that res judicata is not an absolute bar to the Second Application, the res judicata analysis would nonetheless weigh heavily against the Second Application, which is a palpable attempt to circumvent the

1 Court's prior Orders.

2 The premise upon which the Second Application is based, that Lufthansa was
3 not aware of the incorporation of AES components in Thales assemblies until June
4 2022, is false. As previously discussed, that circumstance was discussed in open
5 court during the First Action. Lufthansa sought discovery on that circumstance
6 during the First Action. Lufthansa acknowledged receiving discovery on that
7 circumstance during the First Action.

8 Further, Lufthansa engaged in exactly the type of forum shopping L.R. 83-
9 1.3.1 was intended to discourage, *Garcia*, 2022 U.S. Dist. LEXIS 203608, at *3, by
10 refusing to accurately disclose that the Second Application was related to the First
11 Action.

12 Finally, the overlapping scope of the Second Application's discovery
13 requests with those of the First Action evinces an intent to press further discovery
14 into matters where this Court has already ruled Thales has satisfactorily met its
15 discovery obligations. This is particularly problematic given the Court's earlier
16 findings regarding Lufthansa's troubling conduct of the First Action. Ex. 2, Motion
17 to Compel Order, at 3, 4, 5, 6, 7, 9. The District Court rejected Lufthansa's
18 challenge to those findings. Motion to Review Order, at 6. The Ninth Circuit
19 affirmed the Court's Orders on appeal. *In re Lufthansa Technik AG*, 2021 WL
20 5882036, at 1 .

21 **3. The Second Application is unduly intrusive and burdensome**

22 The Second Application should be denied because it is unduly intrusive and
23 burdensome in two ways. First, undue burden is inherent in requiring Thales to
24 resubmit to and re-litigate Lufthansa's redundant discovery requests. Second, the
25 undue burden and intrusiveness of the Second Application's discovery requests are
26 apparent on their face.

27 Inherent in Lufthansa's Second Application is an undue burden to Thales. As
28

1 the Court found in its Order denying Lufthansa's Motion to Compel, the First
2 Action spanned fifteen months and a dozen hearings and status conferences. Ex. 2,
3 Motion to Compel Order, at 2-3. In attempting to reasonably comply with
4 Lufthansa's discovery requests, Thales provided, among other discovery responses,
5 several iterations of extensive reports from its database tailored to specific requests
6 from Lufthansa, including intricate details related to thousands of transactions, and
7 has provided testimony explaining that information in three depositions and
8 multiple declarations. Ex.3, 2020 Joint Stipulation, at ¶¶ 16, 79, 153.

9 Requiring Thales to submit to further discovery of these topics because
10 Lufthansa has brought the Second Application would result in Thales being either
11 forced to resubmit to discovery the Court previously found to be unduly
12 burdensome, *see, e.g.*, Ex. 2, Motion to Compel Order, at 4, 5, 6, 7, 9, or to re-
13 litigate the same.

14 Moreover, the requests, on their face, are unduly intrusive and burdensome.
15 *See In re Fagan*, 2019 U.S. Dist. LEXIS 227761, at *7 (denying application where
16 discovery of financial information was unduly intrusive and burdensome); *In re*
17 *Pioneer Corp.*, 2018 WL 2146412, at *8-9 (denying application where discovery
18 would be unduly burdensome and intrusive). Indeed, courts have ***rightly rejected***
19 assertions by petitioners' counsel that the better result for "patently overbroad"
20 discovery requests seeking "unduly invasive" discovery is for the parties to meet
21 and confer or their assurances that they will, after issuance of the order, negotiate
22 reasonably. *In re Oasis Focus Fund LP*, No. 3:22-MC-0112-BGS, 2022 WL
23 17669119 (S.D. Cal. Dec. 14, 2022), at *13-14 (Report & Recommendation); *see*
24 *also Pioneer Corp. v. Technicolor, Inc.*, No. LA CV18-04524 JAK (SSx), 2018
25 U.S. Dist. LEXIS 221308, at *30 (C.D. Cal. Sept. 12, 2018) (overruling objection
26 to order denying § 1782 application because of overbroad and unduly burdensome
27 discovery requests); *In re Judicial Assistance Pursuant to 28 U.S.C. § 1782 by*
28 *Macquarie Bank Ltd.*, No. 2:14-cv-00797-GMN-NJK, 2015 U.S. Dist. LEXIS

1 72544, at *24 (D. Nev. May 28, 2015) (“When a party chooses to serve overly
2 broad discovery, it runs the risk that the discovery will be denied outright without
3 an opportunity to narrow it.”).

4 The *Oasis* discovery requests covered an almost three-and-a-half-year period
5 and sought 45 categories of documents, and deposition testimony on eight topics.
6 2022 WL 17669119 at *1. The Court noted that “the categories of documents and
7 communications sought is lengthy and not easily summarized” but broadly written.
8 *Id.* at *2.

9 As Lufthansa argues here, the *Oasis* petitioners argued that “the requests
10 could just be trimmed or narrowed rather than denied.” *Id.* at *14. The Court
11 rejected that argument, refusing to accept that petitioners had carte blanche to inflict
12 unduly burdensome discovery requests on the respondent:

13 To be clear, the parties should attempt to resolve any dispute regarding
14 the scope of discovery they can, but that does not allow Petitioners to
15 request broad and unduly burdensome discovery that is not tailored to
16 the actual issues . . . and then blame [Respondent] for not negotiating
17 their scope. Nor is it the Court’s responsibility to attempt to itself narrow
18 these overbroad requests While the Court is certainly aware that it
19 has the authority and discretion to do so . . . ***the requests are simply too***
20 ***overbroad for the Court to engage in the process.***

21 *Id.* (emphasis added).

22 Lufthansa argues that, no matter the overbreadth or undue burden of its
23 discovery requests, the Court does not have the authority to deny the Second
24 Application. Application, at 16. Lufthansa cites two decisions from other circuits to
25 support this proposition, *Metallgesellschaft AG v. Hodapp*, 121 F.3d 77, 78 (2d Cir.
26 1997) and *Heraeus Kulzer*. While, as discussed above, *Heraeus Kulzer* is
27 instructive for other purposes, neither authority controls the Court’s discretion to
28 deny an excessively overbroad or burdensome application. While the Ninth Circuit
has not yet addressed this issue, *Pioneer Corp.*, 2018 U.S. Dist. LEXIS 221308, at

1 *27, the above-cited cases demonstrate the practice of district courts in this circuit
2 that there is a line past which overly broad and unduly burdensome requests must
3 be rejected.

4 Here, Lufthansa's requests are ridiculously overbroad and unduly
5 burdensome.⁴ For example, the full text of Lufthansa's third request is:

6 Documents, including but not limited to purchase orders, invoices,
7 shipping documents or offers, sufficient to show, for each year since the
8 first shipments of Thales Components and for each shipment, the order
9 class, the sales code, the sales order line, the customer information, such
10 as the customer number, the name, the city and country code, date
11 added, customer due date, actual shipment date, customer purchase
12 order number, Fac code, part number, part description, quantity of units,
13 unit price, extended price, comp flag, ship-to address, including the
14 ship-to name, city and country code, program number, aircraft type that
15 the part would be installed on, freight carrier, bill of lading, tail number
16 of the aircraft that the parts would be installed on, shipment instructions,
17 the modification level, batch number, whether it was a retrofit or a
18 linefit.

19 Application, at 64. Determining the scope of this request necessarily requires
20 consulting the definition of "Thales Components":

21 "Thales Components" shall mean power supply systems and all parts
22 thereof that are (a) suitable for being used in a system providing an
23 alternating current supply with 110V or more, (b) licensed to be used in
24 the passenger cabin of an aircraft, (c) capable of incorporating or being
25 connected to one or more AES Components, or sold therewith. This
26 definition expressly includes any modifications, adjustments, or re-
27 designs of any such power system and all parts thereof from the date the
28 system was introduced until May 21, 2018.

29 *Id.* at 62. Lufthansa is therefore requiring Thales, for each of its components

30 ⁴ In the event the Court decides to grant Lufthansa's Second Application,
31 Thales is prepared to meet and confer with Lufthansa regarding Thales' objections
32 to specific discovery requests in an effort to minimize the need for the Court to rule
33 on those discovery disputes.

1 “suitable” for being used in a 110V system and “capable” of being incorporated or
2 connected to an “AES Component,” more than two dozen data points. Moreover,
3 Lufthansa’s definition of “AES Components” requires Thales to determine whether
4 a particular AES part “make[s] use of the features claimed by the German and/or
5 UK part of the European Patent 0 881 145,” or is “sold therewith.” *Id.* For
6 Germany, the temporal scope of this request is fifteen years, from 2003 to 2018. *Id.*
7 at 63.

8 While the temporal scope of the request for the United Kingdom is a slightly
9 shorter eleven years, 2011 to 2022, *id.*, Thales’ sales into the United Kingdom are
10 immaterial to determination of damages attributable to AES, as discussed above.

11 Moreover, as Lufthansa is already aware, information regarding shipments in
12 2015 and earlier is especially inaccessible to Thales. Thales’ current staff lack
13 sufficient familiarity with the legacy database platform used during that period. Ex.
14 4, June 2022 Letter, at 1. Retrieving any information from that period would,
15 therefore, “require an unreasonably burdensome diversion of resources into further
16 development of an unneeded competency for current staff or the costly retention of
17 outside consultants as well as the diversion of internal resources to equip those
18 outside consultants with the company and industry knowledge required to complete
19 the task.” *Id.*

20 These document requests also intrude profoundly into Thales’s operations
21 and its relationships with its clients. The requests seek information about pricing,
22 frequency of service, location of services, and specifications Thales’s customers
23 provided to Thales for their purposes and reflecting their business objectives.

24 Lufthansa’s assurance that it “stands ready and willing to cooperate with
25 Thales to try to resolve any concerns that Thales may have about the breadth of its
26 discovery requests,” (Application, at 16), is of little comfort and should be
27 disregarded. Indeed, Lufthansa made exactly the same representation in its
28 application for the First Action. Ex. 1, Application for Discovery in Aid of Foreign

1 Litigation Pursuant to 28 U.S.C. § 1782, at 17. Lufthansa's conduct of the First
2 Action demonstrates that assurances of cooperation and compromise will not be
3 realized. *See* Ex. 2, Motion to Compel Order, at 3, 4, 5, 6, 7, 9. Regardless,
4 Lufthansa's discovery requests have dozen of interlinked subparts and require
5 Thales to attempt to determine, in responding to the request, what AES components
6 are at issue.

7 In summary, even were the Court not to find that the Second Application is
8 barred by the res judicata effect of the Orders terminating the First Action, the
9 Court should exercise its discretion to deny the Second Application.

10 **IV. Conclusion**

11 For the foregoing reasons, Thales Avionics respectfully requests that the
12 Court deny Lufthansa's Application.

13
14 Dated this 8th day of February, 2023.

15 By: /s/ Joseph R. Ashby

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L.R. 11-6.2 CERTIFICATION

The undersigned, counsel of record for Respondent Thales Avionics, Inc. certifies that this brief contains 5,699 words, which complies with the word limit of L.R. 11-6.1.

Dated this 8th day of February, 2023

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